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March 27, 2009

**VIA ELECTRONIC FILING**

Charles L.A. Terreni, Esquire  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Petition of South Carolina Electric and Gas Company ("SCE&G") for an Order Authorizing the  
Deferral of Costs Incurred in Connection with Certain Demand-Side Management and Energy  
Efficiency Activities  
**Docket No.: 2009-98-E**

Dear Mr. Terreni:

The South Carolina Office of Regulatory Staff ("ORS") reviewed the above Petition requesting permission to defer certain demand-side management and energy efficiency activity costs. Based on its review and discussions with SCE&G, ORS recommends approval of the requested deferral with one modification. ORS proposes that the costs included in the deferral prior to January 2009 be limited to the amount associated with the investment in an energy database which totaled \$39,141. The Company concurs with this recommendation. If SCE&G's Petition is granted, ORS will monitor the deferral amount.

Sincerely,

John W. Flitter

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Nanette S. Edwards, Deputy General Counsel, SC ORS  
Shannon Bowyer Hudson, Attorney, SC ORS  
K. Chad Burgess, Senior Counsel, SCE&G  
Dr. James Spearman, Executive Assistant, PSCSC